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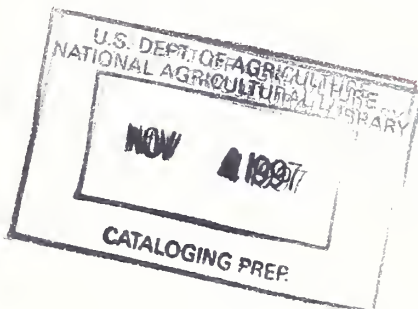
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PEANUT HANDBOOK

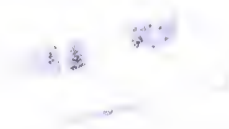


Product
Development
Division

FCIC-30320-2



EFFECTIVE FOR 1996 AND SUCCEEDING CROP YEAR



PEANUT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: See changes or additions in text which have been redlined. Three stars (***) identify information that has been removed.

1 Inserts:

- A ~~(NACAT/Limited)~~ Hail and fire calculations instructions in Exhibit 4, for items 37b and 41 of the FCI-74 T-P-C claim form. ~~(NACAT/Limited)~~
- B New instructions for Segregation II and III peanuts transferred to the Quota Loan Pool as a result of the Federal Agricultural Improvement Reform Act of 1996 (1996 Act). The 1996 Act restricts the number of peanut pounds eligible to be transferred to the Quota Loan Pool. Provisions from Chapter 2, Peanuts and Sugar, Section 155 Peanut Program, (8) Disaster Transfers, (C) Support Rate states: *Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.* However, the United States Department of Agriculture Peanut Regulations interprets 70 percent of the Quota Support Price to be 70 percent of the grade price (value per pound).

See revised instructions in Exhibit 4, subparagraph Eld, item 53c, and Exhibit 10.

2 Removes:

- A Reference from Exhibit 4, subparagraph Eld to undermarketings.
- B Item 53c(2)(a) and (b), Exhibit 7, FCI-12, Crop Insurance Application; Exhibit 8, FCI-19, Crop Insurance Acreage Report; Exhibit 9, Revision of FCI-19, Crop Insurance Acreage Report.

3 Replaces:

Exhibit 7, 8, and 9 as reserved exhibits.

PEANUT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (CONTINUED)

CONTROL CHART FOR: Peanut Handbook - FCIC-30320-2						
	SC Page (s)	TC Page (s)	Text Page (s)	Exhibit (s)	Date	Transmittal Number
Remove	1-2	1-2	1-2	4 (11-18) 6 (5) 7 (1) 8 (1) 9 (1-2) 10 (1-2) 11 (1)	7-95 8-93 8-93 8-93 8-93 8-93 8-93	Dir. 30320-1 M8-664 M8-664 M8-664 M8-664 M8-664 M8-664
Insert	1-2	1-2	1-2	4 (11-18) 6 (5-6) 7 (1-2) 8 (1-2) 9 (1-2) 10 Cover Pg. 10 (1-3) 11 Cover Pg. 11 (1)	10-96 10-96 10-96 10-96 10-96 10-96 10-96 10-96 10-96	Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2
Insert and Current Index	1-2	1-2	1-2 3-4	1 (1-3) 2 (1-3) 3 (1-2) 4 (1-10) 4 (11-18) 4 (19-24) 5 (1-2) 6 (1-4) 6 (5-6) 7 (1-2) 8 (1-2) 9 (1-2) 10 Cover Pg. 10 (1-3) 11 Cover Pg. 11 (1) 11 (2) 12 (1-3) 13 (1-4) 14 (1-4)	10-96 7-95 8-93 8-93 8-93 7-95 10-96 7-95 7-95 8-93 10-96 10-96 10-96 10-96 10-96 10-96 8-93 8-93 8-93 7-95	Dir. 30320-2 Dir. 30320-1 M8-664 M8-664 M8-664 Dir. 30320-1 Dir. 30320-2 Dir. 30320-1 Dir. 30320-1 M8-664 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 Dir. 30320-2 M8-664 M8-664 M8-664 Dir. 30320-1

PEANUT HANDBOOK

TABLE OF CONTENTS

	<u>PAGE NO.</u>
1 PURPOSE.....	1
2 INSURANCE CONTRACT RESPONSIBILITIES.....	1
3 PEANUT GROWTH STAGES AND APPRAISAL METHODS.....	2
A General Instructions.....	2
B Stages of Growth.....	2
C Sample Selections.....	2
D Appraisal Methods Before Podding.....	3
E Appraisal Methods After Podding.....	3

EXHIBITSNO. OF PAGES

1 FCI-74-A (Peanuts) - Stand Reduction Method Worksheet Instructions.....	3
2 FCI-74-A (Peanuts) - Pod Count Method Worksheet Instructions.....	3
3 FCI-74-A (Peanuts) - Threshed Method Worksheet Instructions.....	2
4 Preparation of FCI-74 T-P-C, Field Inspection and Claim for Indemnity (Tobacco-Peanut-Cotton) and (Harvested Production Continuation Sheet).....	24
5 Reserved.....	2
6 Peanut Crop Insurance Policy.....	6
7 Reserved.....	2
8 Reserved.....	2
9 Reserved.....	2
10 Examples for Quality Adjustment.....	4
11 Preparation of FCI-513, Waiver to Transfer Segregation II and III Peanuts to Quota Loan.....	3
12 Preparation of FCI-74-B and FCI-74-C, Peanut Computation Worksheets.....	3
13 Reference Material.....	4
14 FCI-74 T-P-C Production Entries and Calculations.....	4

PEANUT HANDBOOK

TABLE OF CONTENTS (Continued)

RESERVED

FEDERAL CROP INSURANCE CORPORATION
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 30320-2
SUBJECT: Peanut Handbook Effective for 1996 and Succeeding Crop Years	DATE: October 24, 1996	
	OPI: Product Development Branch	
	APPROVED: <i>Sam B. Nitt</i> Director, Research and Development Division	

1 PURPOSE

This handbook identifies the crop-specific standards (requirements) for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These standards, which include crop appraisal methods and claims completion instruction, supplement the general (not crop-specific) standards for loss adjustment identified in the Loss Adjustment Manual (LAM), Directive 30010 (often referred to as M8-LAM). These slipsheets update the Peanut Handbook, Directive 30320-1 and M8-664.

2 INSURANCE CONTRACT RESPONSIBILITIES

A The insurance contract is a binding agreement between the insured and the Corporation. The terms and conditions of the contract are specified in and on the following documents:

- 1 Peanut Crop Insurance Policy (Exhibit 6).
- 2 Catastrophic Risk Protection Endorsement.
- 3 FCI-12, Crop Insurance Application.
- 4 County Actuarial Table.
- 4 Other forms referred to in the contract such as the FCI-19, Acreage Report and revised acreage report, FCI-513, Waiver (of right) to Transfer Segregation II and III Peanuts to Quota Loan (Exhibit 11), Computation Worksheets (Exhibit 12), and Reference materials in Exhibit 13, although not a part of the contract, are necessary to carry out the contract provisions.

As stated in the policy AGREEMENT TO INSURE, it is the insured's responsibility to comply with all applicable provisions of the contract.

B The adjuster is responsible for determining that the insured has complied with all provisions of the contract. Peanut provisions which the adjuster is to consider in this determination include (but are not limited to) the following:

- 1 A Late Planting Agreement (FCI-9) is available for peanuts.
- 2 (NACAT→ A replanting payment is available for peanuts. ←NACAT)

- 3 If SEG II and III peanuts are eligible to be transferred under the CCC loan program, the adjuster is responsible for questioning the insured as to whether he/she plans to participate in the loan transfer program. See revised instructions in E Part IV - General Instructions, item 53, and Exhibit 10.
- 4 FSA allows farmers to transfer quota pounds to farms throughout the crop year (generally through January 31 of the following year). If the insured has transferred or leased additional quota pounds after the acreage reporting date, the pounds of quota peanuts shown on the acreage report may be different from the quota pounds assigned to the farm by FSA (ASCS) because of transfer procedures. Liability can be increased after the final acreage reporting date **ONLY** after a crop inspection as outlined in the LAM. Acreage report revisions that increase liability **CANNOT** be made during final inspection except to correct errors as outlined in the LAM.

3 PEANUT GROWTH STAGES AND APPRAISAL METHODS

A General Instructions.

These instructions provide information about growth characteristics and instructions for appraising potential production in two stages of growth. **ANY DEVIATIONS FROM THESE METHODS MUST BE AUTHORIZED BY THE FSA REPRESENTATIVE.** Appraisal deviations require the RSO Director's written authorization after receiving approval from the Product Development Branch. See LAM for additional information.

B Stages of Growth.

TIME INTERVAL

- | | | |
|---|--|------------------------|
| 1 | Time from planting to emergence - | 7 to 10 days. |
| 2 | Time from emergence to bloom - | approximately 60 days. |
| 3 | Time from emergence to nut formation - | 100 to 120 days. |
| 4 | Time from planting to maturity - | 150 to 160 days. |
| 5 | Number pods (unshelled peanuts) per pound will vary according to type, seasonal conditions, farming practices and geographical location. Average pods per pound by types are given in Exhibit 13, Table C. | |

C Sample Selections.

- 1 Select representative areas in the field for sampling.
- 2 Use row or combination of rows equaling 100 feet for Stand Reduction samples.
- 3 Select representative plants from representative areas of the field for pod counts.
- 4 Take as many samples as necessary for an accurate appraisal, but never less than the number required in Minimum Sample Table, Exhibit 13, Table A, is recommended.

"NR" Acreage not replanted or not qualifying for a replant payment. ~~←NACAT~~)

F STAGE EXPLANATION

"P" Acreage abandoned, put to other use without consent, or damaged solely by uninsured cause(s).

"UH" Unharvested, put to other use, destroyed with consent, or lost in windrow.

"H" Harvested (as defined in policy).

(~~NACAT~~→ NOTE: Replant claims are handled on separate FCI-74 T-P-C's from routine final claims. Any FCI-74 T-P-C with a combination of stage entries for replant claims and final claims will be rejected. ~~←NACAT~~)

b INTENDED OR FINAL USE ABBREVIATIONS:

R (~~NACAT~~→ Enter "Replant" or "Not Replanted," as applicable for the acreage, on separate lines. ACCOUNT FOR ALL INSURABLE ACREAGE ON THE UNIT. ~~←NACAT~~)

F USE EXPLANATION

"To soybeans," "plowed," "pastured," etc. Use made of the acreage with consent.

"WOC" Without Consent.

"SU" Solely uninsured.

"ABA" Abandoned without consent

"H" Harvested (as defined in policy).

"UH" Unharvested or "Lost in windrow."

36 P Appraisal, to the nearest whole pound per acre, of POTENTIAL production for acreage in item 29. (See appraisal methods for additional instructions.)

R&F Appraisal, to the nearest whole pound per acre, of POTENTIAL production for acreage in item 30. (~~NACAT~~→ Be sure to enter "NR" in item 35 if the combined appraisals in items 36 and 37 total more than 90% of the guarantee. ~~←NACAT~~)

NOTE: If there is no potential on UH acreage (item 35), enter "O".

37 Uninsured causes - EXPLAIN IN ITEM 57.

a Hail and fire exclusion NOT in effect.

- (1) For acreage that is abandoned, put to other use without prior written consent, or damaged SOLELY by uninsured causes, enter **NOT LESS** than the insured's production guarantee per acre in WHOLE pounds (for the line) for any such acreage as shown on the County Actuarial Table. NOTE: For preliminary inspections, advise the insured to segregate (from other production) the harvested production from any acreage damaged SOLELY by uninsured causes.

- (2) Where production not to count shown in item 54 is from solely uninsured causes, divide such production by the line acres to obtain the average production per acre. Compare and enter the larger of (a) the average yield per acre, or (b) the insured's production guarantee shown on the County Actuarial Table whichever is applicable.
- (3) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre in WHOLE pounds.

b ~~(NA CAT/Limited)~~ Hail and fire losses - HAIL AND FIRE EXCLUSION IN EFFECT.

(1) For hail or fire damage ONLY -

- (a) If the original amount of hail and fire liability HAS NOT BEEN REDUCED, make NO entry (complete item 41).
- (b) If the original amount of hail and fire LIABILITY HAS BEEN REDUCED, enter the appraised amount of UNINSURED hail or fire damage per acre calculated as follows:

Divide the hail and fire insurance indemnity per acre by the original hail and fire insurance liability per acre and multiply the result by the 2-decimal coverage level factor (e.g., $100\% \div 65\% = 1.54$) times the production guarantee per acre.

(2) For hail or fire damage AND OTHER UNINSURED causes of loss -

- (a) If the original amount of hail and fire liability has NOT been reduced, enter ONLY the whole pounds per acre of OTHER uninsured damage.
- (b) If the original amount of hail and fire liability HAS BEEN REDUCED, calculate the appraised amount of UNINSURED hail or fire damage per acre as in subparagraph b(1) (b) above. ADD to it the appraisal per acre, in whole pounds, for any OTHER uninsured damage. Enter the total appraisal of UNINSURED damage per acre. ~~(NA CAT/Limited)~~

38 P&R MAKE NO ENTRY.

- F If appraised mature potential entered in column 36 qualifies for quality adjustment due to insured cause(s), enter the FACTOR determined by dividing the value per pound (to three decimals) from the FCI-74-B or FCI-74-C by the support price for the type, or the highest non-quota price election (See Note for when to use the highest non-quota price election). Make an entry ONLY for peanuts that qualify for quality adjustment, otherwise, make no entry. Do not allow any reduction in value due to UNINSURABLE causes. Record the calculations and explain the reason for quality adjustment in item 57. Enter ".000" FACTOR if appraised mature peanuts have no value.

NOTE: Use the highest non-quota price election when:

- a value is greater than .000,
- b appraised samples grade Segregation II or III,
- b harvested production is in excess of quota, or
- c the unit has no effective poundage marketing quota established and recorded at FSA (ASCS) and mature appraised production is damaged due to insurable causes.

39 (NACAT→ Make an entry ONLY if a yield is entered in item 10 of the FCI-19 acreage report. Enter that yield and verify the entry with the FCI-2 Agreement. ←NACAT)

40 P&F MAKE NO ENTRY.

R (NACAT→ Enter insured's actual cost to replant (per acre to the nearest dollar). Example - \$77.15 will be shown as 77. DO NOT INCLUDE COSTS NOT ACTUALLY INCURRED. EXAMPLE: Do not include replanting costs on landlord claim if expenses were incurred by tenant only (whether or not insured). In such cases, do not prepare a final replanting payment FCI-74 T-P-C. If an FCI-74 T-P-C has been started (Part I or more has been completed) prepare as a preliminary and clear the notice of damage as appropriate. ←NACAT)

41 a (NA CAT/Limited→ Make an entry, as described below, ONLY IF ALL of the following conditions have been met:

- (1) Hail or fire damage has occurred on the unit;
- (2) Hail and Fire Exclusion is in effect; and
- (3) The original amount of hail and fire liability has NOT been reduced.

b Enter the appraisal determined as follows:

- (1) Determine the weighted **AVERAGE** (based upon gross acres) percent of hail or fire damage (from the hail or fire claim) for the unit.
- (2) For each coverage level, the deductible is 100 percent minus the coverage level percent (e.g., 100% - 65% = 35%). Subtract the percent deductible from the average percent of hail or fire damage (e.g., 40% hail damage - 35% deductible = 5%).
- (3) Multiply the result of step 2 times the applicable 2-decimal level factor to determine a 4-place factor. Determine the 2-decimal factor as follows: 100 divided by the coverage level percent in step 2 (e.g., $100 \div 65 = 1.54$ for the 65% coverage level). Determine a 4-place factor as follows: $.05 \times 1.54 = .0770$.
- (4) Multiply the factor determined in step 3 times the per-acre approved yield time the coverage level percent for the acreage, and enter the result item 41 of the claim form. (Example: Approved Yield of 4188 pounds @ 65% coverage level = $2722 \times .0770$ will equal a 210 pound appraisal). Make no entry for "0" appraisals.

MAKE NO ENTRY in item 37 for such hail/fire damage. Appraisals for hail/fire damage (when hail/fire exclusion is in effect and the original hail/fire liability HAS been reduced) and for other uninsured causes are, however, required in item 37. Also see item 57 instructions. ~~←NA CAT/Limited~~)

- R ~~(NACAT→~~ Add any appraisals determined above to any appraisals in items 36 and 37 to determine if appraisals total more than 90% of the guarantee. If they do, the insured is ineligible for a Replant Payment, and you enter NR in item 35 for the acreage. Inform the insured that the acreage is ineligible for a replant payment. Also see item 57 instructions. ~~←NACAT)~~

42 P MAKE NO ENTRY.

R&F Total acres, to tenths, for the unit on LAST SET of FCI-74 T-P-C's prepared for the unit. LEAVE BLANK ON PREVIOUS SET(S).

D Part III - Harvested Production - Cotton

43-48 MAKE NO ENTRY.

E Part IV - Harvested Production - Peanuts - Tobacco

1 General Information.

- a ~~(NACAT→~~ THERE WILL BE NO "HARVESTED PRODUCTION" ENTRIES IN PART IV FOR REPLANT PAYMENTS. ~~←NACAT)~~
- b Include **ALL** HARVESTED PRODUCTION for **ALL ENTITIES** sharing in the crop.
- c If additional lines are necessary, the data may be entered on an FCI-74 T-P-C continuation sheet. Number a single-page continuation sheet attached to a single-page FCI-74 T-P-C "PAGE 2 of 2 PAGES."
- d If Segregation II and III peanuts are eligible to be transferred under the CCC loan program, the adjuster is responsible for questioning the insured as to whether he/she plans to participate in the loan transfer program; if **NOT**, a waiver (see FCI-513 completions instructions in Exhibit 11) must be signed by the insured relinquishing his/her right to transfer Segregation II and III peanuts to the CCC loan program before the final claim can be completed.

- (1) The waiver (of right) to transfer peanuts to quota loan pool must include poundage of not more than 25 percent of the total farm quota pounds excluding pounds transferred in the fall of all peanuts valued as Segregation II and III (other than those designated for seed or other use) which are eligible to be transferred into the quota loan pool.
- (2) Refer to item 53c(1) to determine GRADE VALUES and Exhibit 10 for additional instructions and examples.

- (3) If the insured DOES NOT sign the waiver, complete the claim as if he/she is going to participate in the loan program. Refer to instruction in item 53c(2) to determine GRADE VALUES and Exhibit 10.
- e (1) Final claims will be based on the lesser of:
- (a) the effective poundage marketing quota* (if any) reported on the acreage report for the unit; or
 - (b) the FSA (ASCS) effective poundage marketing quota for the unit, prior to any fall transfers (transfers occurring after July 31 of the crop year), as determined at the time of final claim. Retain hard copy documentation, from the FSA county office, of any fall transfers in the policyholder's claim file.
- *Note: Verify that a temporary seed allocation of quota pounds was added to the farm basic poundage quota (FSA 1001 form) and included on the acreage report.
- (2) If, on a gross unadjusted basis, Segregation I production (and Segregation II or III production retained for "seed" or other use), does not satisfy the lesser of e(1), (a) or (b) above, ONLY Segregation II or III peanuts that are needed to satisfy the lesser quota will be quality adjusted against the support price, by type.
- (3) Any Segregation II or III peanuts in excess of the lesser of e(1), (a) or (b) above will be considered non-quota (additional) peanuts and will be quality adjusted against the highest non-quota price election.
- (4) The net weight of a load on an ASCS-1007 or 1007 VC may require a two line entry when part of the production is adjusted by the highest non-quota price election.
- f Enter threshed unadjusted NET WEIGHT of production for a:
- (1) Catastrophic Coverage unit containing multiple farm serial numbers (FSN):
- (a) assemble each FSN marketing Smart Card printout* in order beginning with the lowest numbered FSN first, then working to the highest numbered FSN;
 - (b) enter (in item 52, the production from the ASCS-1007, ASCS-1007 VC or other sales record) Segregation I and Segregation II or III peanuts eligible to be valued as quota (Seg. I) peanuts (e.g. retained for seed or other use) from ALL FSNs FIRST, followed by any other Segregation II or III peanuts from ALL FSNs in the order they are listed on the FSN marketing Smart Card printout*.

NOTE: Omit any alpha characters from a alpha numeric farm serial number.

- (2) Limited or Additional coverage unit containing a single farm serial number: enter (in item 52, the production from the ASCS-1007, ASCS-1007 VC or other sales record) Segregation I and Segregation II or III peanuts eligible to be valued as quota (Seg. I) peanuts (e.g., retained for seed or other use) FIRST, followed by any other Segregation II or III peanuts in the order they are listed on the FSN marketing Smart Card printout*.

*FSA (ASCS) Operator/Producer Poundage Sales Summary

- g Use SEPARATE LINES for varying shares, different types with varying values and quality adjusted by varying price supports or the highest non-quota price election for the following:
- (1) Segregation I - Quota or Non-Quota - Production with a **GRADE VALUE** equal to or more than the average quota support price, by type.
 - (2) Segregation I - Quota or Non-Quota - Production with a **GRADE VALUE** of less than average quota support price for the type and adjusted by the applicable price support per pound, by type.
 - (3) Segregation II and Segregation III - Retained for "seed" or other use. - Quota or Non-Quota - Production with a **GRADE VALUE** equal to or more than the average quota support price per pound, by type.
 - (4) Segregation II and III - Retained for "seed" or other use - Quota or Non-quota - Production with a **GRADE VALUE** of less than average quota support price for the type and adjusted by the applicable price support per pound, by type.
 - (5) Segregation II and Segregation III - Short of Quota - The waiver **HAS BEEN SIGNED** and the production is **NOT transferred** to the quota loan pool.
 - (6) Segregation II and III - Short of Quota- The waiver **HAS NOT BEEN SIGNED** and the insured intends to **transfer** production to the quota loan pool.
 - (7) Segregation II and III - Excess of Quota.
 - (8) Production not sold, not graded, and not eligible for quality adjustment.
 - (9) Production sold and not graded which is eligible for quality adjustment.
- h There generally will be NO "HARVESTED PRODUCTION" entries in items 49 through 56 for preliminary inspections.

- 2 Make the following entries:

Item No.	Entry or Instructions:
49	<p>PRODUCTION SOLD, DELIVERED UNDER CONTRACT OR FOR QUOTA PRICE SUPPORT. Identification number of ASCS-1007, ASCS-1007 VC, or other sales record and name and address of buyer or receiver.</p> <p>FARM STORED OR CONSUMED ON FARM. "Farm Stored," "Farm Stored (Seed)," or "Consumed" and identification of ASCS-1007, ASCS-1007 VC, or other sales record (if any). If peanuts are farm stored and not graded and the insured does not intend to have peanuts graded, consider the peanuts as Segregation I and not eligible for quality adjustment.</p> <p>If an FCI-74-B or FCI-74-C is completed provide the insured with a copy and file the original in the contract folder.</p>
50	Enter only VARYING SHARES ON SAME UNIT, to three decimal places.
51	Type, entered as a 3-digit code number (EXACTLY AS SHOWN ON THE County Actuarial Table).
52	<p>Enter the unadjusted NET WEIGHT in WHOLE POUNDS for the line (record as stated in subparagraph E Part V, 1f), the result of SUBTRACTING:</p> <p>a Production Not to Count - from acreage harvested and damaged solely by uninsured causes ONLY when acceptable records are available identifying such production; from</p> <p>b Net weight of Production - from ASCS-1007 or ASCS-1007 VC item G, FCI-74-B, FCI-74-C or other sales record or source which the adjuster determines to be accurate and satisfactory.</p> <p>NOTE: Show calculations in item 57.</p>
53	<p>Value per pound for graded production (rounded to three decimals). Determine the value per pound using the ASCS-1007, ASCS-1007 VC, or other sales record (if any) and the instructions below.</p> <p>a For Segregation I Peanuts - Quota or Non-Quota.</p> <p>(1) If the value per pound including loose shell kernels (LSK) in item P of the ASCS 1007 or ASCS 1007 VC is equal to or more than average quota support price for the type, enter a dash (-).</p> <p>(2) If the value per pound including LSK (item P) of the ASCS 1007 or ASCS 1007 VC is less than the average quota support price for the type, enter the value per pound to three decimal places.</p>

b For Segregation II and Segregation III - Retained for "Seed" or other use - Quota or Non-Quota.

- (1) If the value per pound including LSK (item P) of the ASCS-1007 or ASCS-1007 VC is equal to or more than average quota support price for the type, enter a dash (-).
- (2) If the value per pound including LSK (item P) of the ASCS-1007 or ASCS-1007 VC is less than the average quota support price for the type, enter the value per pound rounded to three decimal places.

c For Segregation II and III Peanuts - Short of Quota

When unadjusted production for Segregation I and for Segregation II and III peanuts (retained for "seed" or other use) is less than the quota determined for the unit at the time of final claim use the following:

- (1) If AN FCI-513, WAIVER (of Right) TO TRANSFER SEGREGATION II AND III PEANUTS TO QUOTA LOAN, **HAS BEEN SIGNED** ON A FSN BASIS. Refer to E Part IV 1d General Information for instructions and Exhibit 10, Examples 1-3. The producer has chosen **NOT** to participate in the CCC loan transfer program. When the waiver is in effect, Segregation II and III peanut production grade values will be determined as follows:

Enter the result by dividing the amount taken from "VALUE OF SEGMENT" (before deductions) item Q (Loan Additional) of the ASCS-1007 or ASCS-1007 VC by the net pounds (item G) rounded to three decimals.

- (2) IF AN FCI-513, WAIVER (of Right) TO TRANSFER SEGREGATION II AND III PEANUTS TO QUOTA LOAN, **HAS NOT BEEN SIGNED** ON AN FSN BASIS. The producer does not waive the right to transfer Segregation II and Segregation III additional loan peanuts to the quota loan pool. Refer to E Part IV 1d General Information for instructions and Exhibit 10, Example 4. **Note:** Transfers may not exceed 25 percent of the effective marketing quota eligible for transfer to the quota loan pool. The Segregation II and III peanuts which are eligible to be transferred will be treated as Segregation I peanuts for quality adjustment purposes:

- (a) For Segregation II and III peanuts which **ARE** eligible to be transferred to the Quota Loan Pool: enter 70 percent of value per pound including LSK (item P of the ASCS-1007 or ASCS-1007 VC) rounded to three decimals. Example: .237 (item P) X .70 = .166 value per pound
- (b) For Segregation II and III peanuts which are **NOT** eligible to be transferred to the Quota Loan Pool: enter the result by dividing the dollar amount from "Value of Segment" (before deductions of item Q Loan Additional of the ASCS-1007 or ASCS-1007 VC) by the Net Weight (item G) rounded to three decimals.

d For Segregation II and III Peanuts - Excess of Quota

When unadjusted production for Segregation I and for Segregation II and III peanuts (retained for "seed" or other use) is more than the quota determined for the unit at the time of final claim use the following:

Enter the result by dividing the amount taken from "VALUE OF SEGMENT" (before deductions) - item Q (Loan Additional) of the ASCS-1007 or ASCS-1007 VC by the net pounds (item G) rounded to three decimals.

- 54 If mature potential production entered in column 53 qualifies for quality adjustment due to insured causes, enter the FACTOR determined by dividing the value per pound (item 53) by the average support price per pound for the type or the highest non-quota price election. See E Part IV, 1d, and e, for determining when to use the average support price or the highest non-quota price election.
- 55 F Enter the net harvested production for the line in whole pounds. See production calculation instructions in Exhibit 14.
- 56 a Enter an "N/" for non-quota (additional) Segregation II or III peanuts when the value per pound (item 53) has been divided by the highest non-quota price election in item 54.
- NOTE: Enter an "N/" when the insured has no effective poundage marketing quota as provided under the ASCS Peanut Marketing Quota Regulations and mature production is damaged due to insurable causes and adjusted using the highest non-quota price election.
- b Enter, after the "N/", Seg. 1 (or when Seg. II or Seg. III peanuts are valued as Seg 1), Seg. II, or Seg. III from the ASCS-1007, ASCS-1007 VC, FCI-74-B, FCI-74-C or other sales record, to identify the production entered in item 52. This entry will be used for review purposes.
- 57 Narrative.
- a Enter in the left portion of the narrative block, on page 1, the "harvested production" for the unit and "net production" for the unit (separated by varying shares if applicable). See production calculation instructions. Below the production entries, enter the five-digit location state and county code (LSC) for the physical location of the land.
- b (NACAT→ If the acreage to be replanted in the unit does not qualify for a replanting payment, enter "FIELD X NOT QUALIFIED FOR REPLANT PAYMENT," date of inspection and reason not qualified. ←NACAT)
- c Enter "No acreage released" and date, if no acreage is released on the unit in item 3.
- d Enter the unit number(s), "No inspection," the date, and your initials for any unit(s) entered in item 15 for which an FCI-74 T-P-C was not completed.

- e Explain any uninsured causes, unusual or controversial cases in this item, or on an attachment. If you prepare an attachment, so indicate.
 - f **(Hail-fire exclusion NA Cat/Limited)** If there is an appraisal in item 37 for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
 - g State that there is "No other fire insurance" when fire damages or destroys the insured peanut crop and you have determined that the insured has no other fire insurance.
 - h Explain any errors found on the acreage report.
 - i Explain any commingled production. See LAM.
 - j Explain any entry for production not to count.
 - k Explain any zero (.000) Factor entered in item 38 or 54. Explain any factors that affected the bid price for any quality adjustment, as well as any price reductions which were not allowed.
 - l Explain a "NO" circled in item 59.
 - m Attach a sketch map or aerial photograph to identify the total unit:
 - (1) if consent is or has been given to put part of the unit to another use (**NACAT**→ or to replant ←**NACAT**);
 - (2) if uninsured causes are present; or
 - (3) for unusual or controversial cases.
- NOTE: Indicate on sketch map or aerial photo any crop planted on acreage put to other use with or without consent.
- n Explain any difference between inspection and signature dates. For an ABSENTEE insured: Enter the date of the inspection and date of mailing the form for signature.
 - o Enter the code number of any other adjuster or supervisor, and date of inspection in the lower right corner of this space when he/she accompanied the adjuster on the inspection.
 - p Explain the reason for a "No Indemnity Due" claim. "No Indemnity Due" claims are to be distributed in the normal manner, except that they will not be transmitted for processing.
 - q Enter (on the master FCI-74 T-P-C) the unit number and estimated yield per acre of all UNDAMAGED UNITS at the time of final inspection. If there is insufficient space, enter this information on an attached FCI-6 (attached to the master FCI-74 T-P-C), identifying such units as "UNDAMAGED."

time unless otherwise provided by the notice requirement.

Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice.

21. WRITTEN AGREEMENTS

If provided for under the terms and conditions of the policy, written agreements between FCIC and the policyholder will be in accordance with the provisions of official procedures issued by FCIC.

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Examples for Quality Adjustment

EXAMPLES FOR QUALITY ADJUSTMENT WHEN THE WAIVER IS SIGNED

Support Price - Runners .307
 Highest Non Quota Price Election \$.15

Peanut Production for ALL Examples (as listed on the smart card)

<u>FSA 1007's</u>	<u>GRADE</u>	<u>PRODUCTION</u>	<u>VALUE PER POUND</u>
567821	Seg 1	10,825 lbs.	.305
567822	Seg 1	9,658 lbs.	.302
572534	Seg 3	12,630 lbs.	.051
613214	Seg 3	11,561 lbs.	.058

Acreage Report Information for ALL Examples

Quota: 30,000 lbs.	Interest: 100%
Guarantee per acre: 2000 lbs.	FSN: 1002
Type: Runner	Acres: 25.0

EXAMPLE 1: At the time of final claim, the acreage report quota and the FSA determined effective marketing quota are the same. The insured waives right to transfer 7,500 lbs. of Seg III peanuts to the Quota Loan Pool. Calculated as follows:

FSA Quota 30,000 lbs. X .25 = 7,500 lbs.

Quality adjustment of the claim is based on 30,000 lbs. - 20,483 lbs. Seg I production = 9,517 lbs. of Seg III peanuts are quality adjusted using the support price. The remaining 14,674 lbs. of Seg III peanuts are quality adjusted using the highest non-quota price election. Calculated as follows:

<u>FSA-1007'S</u>	<u>PRODUCTION</u>	<u>VALUE</u>	<u>PRICE</u>	<u>FACTOR</u>	<u>TO COUNT</u>
567821-Seg 1	10,825 lbs.	.305	.307	.993	10,749 lbs.
567822-Seg 1	9,658 lbs.	.302	.307	.984	9,503 lbs.
572534-Seg 3	9,517 lbs.	.051	.307	.166	1,580 lbs.
572534-Seg 3	3,113 lbs.	.051	.150	.340	1,058 lbs.
613214-Seg 3	11,561 lbs.	.058	.150	.387	4,474 lbs.

EXAMPLE 2: Insured over reported quota on the acreage report. At the time of final claim, the FSA determined effective marketing quota was 25,000 lbs. No transfer of quota to or off the FSN was made. The insured waives right to transfer 6,250 lbs. of Seg III peanuts to Quota Loan. Calculated as follows:

FSA Quota 25,000 lbs. X .25 = 6,250 lbs.

Quality adjustment on the claim is based on the lesser FSA Quota as follows:
 25,000 lbs. - 20,483 lbs. Seg I Production = 4,517 lbs. of Seg III peanuts quality adjusted using the support price. The remaining 19,674 lbs. of Seg III peanuts are quality adjusted using the highest non-quota price election. Calculated as follows:

<u>FSA-1007's</u>	<u>PRODUCTION</u>	<u>VALUE</u>	<u>PRICE</u>	<u>FACTOR</u>	<u>TO COUNT</u>
567821-Seg 1	10,825 lbs.	.305	.307	.993	10,749 lbs.
567822-Seg 1	9,658 lbs.	.302	.307	.984	9,503 lbs.
572534-Seg 3	4,517 lbs.	.051	.307	.166	750 lbs.
572534-Seg 3	8,113 lbs.	.051	.150	.340	2,758 lbs.
613214-Seg 3	11,561 lbs.	.058	.150	.387	4,474 lbs.

EXAMPLE 3: Insured under reported quota on the acreage report. At the time of final claim, the FSA determined effective marketing quota was 35,000 lbs. No transfer of quota to or off the FSN was made. The insured waives right to transfer 8,750 lbs. of Seg III peanuts to the Quota Loan Pool. Calculated as follows:

FSA Quota 35,000 lbs. X .25 = 8,750 lbs.

Quality adjustment on the claim is based on the lesser quota from the acreage report as follows: 30,000 lbs. - 20,483 lbs. of Seg I peanuts = 9,517 lbs. of Seg III peanuts are quality adjusted using the support price. The remaining 14,674 of Seg III peanuts are quality adjusted using the highest non-quota price election. Calculated as follows:

<u>FSA-1007's</u>	<u>PRODUCTION</u>	<u>VALUE</u>	<u>PRICE</u>	<u>FACTOR</u>	<u>TO COUNT</u>
567821-Seg 1	10,825 lbs.	.305	.307	.993	10,749 lbs.
567822-Seg 1	9,658 lbs.	.302	.307	.984	9,503 lbs.
572534-Seg 3	9,517 lbs.	.051	.307	.166	1,580 lbs.
572534-Seg 3	3,113 lbs.	.051	.150	.340	1,058 lbs.
613214-Seg 3	11,561 lbs.	.058	.150	.387	4,474 lbs.

EXAMPLE OF QUALITY ADJUSTMENT WHEN THE WAIVER IS NOT SIGNED

EXAMPLE 4: Same information as contained in **Example 3** except that the insured **does not** sign the waiver. Insured transfers 8,750 lbs. of Seg III peanuts to the Quota Loan Pool.

Quality adjustment on the claim is based on the lesser quota from the acreage report as follows: 30,000 lbs. - 20,483 lbs. of Seg 1 peanuts = 9,517 lbs. of Seg III peanuts are quality adjustment using the support price. The remaining 14,674 of Seg III peanuts are quality adjusted using the highest non-quota price election. Calculated as follows:

<u>FSA-1007'S</u>	<u>PRODUCTION</u>	<u>VALUE</u>	<u>PRICE</u>	<u>FACTOR</u>	<u>TO COUNT</u>
567821-Seg 1	10,825 lbs.	.305	.307	.993	10,749 lbs.
567822-Seg 1	9,658 lbs.	.302	.307	.984	9,503 lbs.
572534-Seg 3	8,750 lbs.	.166*	.307	.541	4,734 lbs.
572534-Seg 3	767 lbs.	.051	.307	.166	127 lbs.
572534-Seg 3	3,113 lbs.	.051	.150	.340	1,058 lbs.
613214-Seg 3	11,561 lbs.	.058	.150	.387	4,474 lbs.

*.237 is the grade value of peanuts taken from Line P of the ASCS 1007. Producer will only receive 70% of the of the grade value from the quota loan pool for peanuts which are eligible to be transferred. Example: .237 grade value X .70 = 16.6 cents per pound less price received at the buying point 5.1 cents = 11.5 cents received from the Quota Loan Pool. See item 53c(2) (a) and (b).

RESERVED

PREPARATION OF FCI-513, WAIVER (of Right) TO TRANSFER
SEGREGATION II AND III PEANUTS TO QUOTA LOAN

Prepare original and two copies.

The FCI-513 is used when the insured chooses **NOT** to participate in the CCC loan transfer program. When this waiver is in effect, the insured's Segregation II and III peanut production will be adjusted based on loss adjustment procedure applicable to Segregation II and III peanuts which **cannot** be transferred into the quota loan pool.

Item numbers on face page correspond with item numbers shown on the exhibit form of the FCI-513.

Item

No. Make the Following Entries:

- 1 Name of insured EXACTLY as shown on the most recent policy confirmation.
- 2 Contract number from the most recent policy confirmation.
- 3 Name of state.
- 4 Name of county.
- 5 Crop year as defined in the policy.
- 6 Name of insured.
- 7 FSA farm serial number. Complete a waiver for each farm serial number.
- 8 The insured's share of transferable Segregation II peanuts.
- 9 The insured's share of transferable Segregation III peanuts.
- 10 Signature of insured and date.
- 11 Signature of FCIC loss adjuster, code number and date.

DISTRIBUTION: Original in the insured's folder.
 First copy to ASCS.
 Second copy to insured.

Preparation of
FCI-513, Waiver (of Right) to Transfer
Segregation II and III Peanuts to Quota Loan

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